

Message

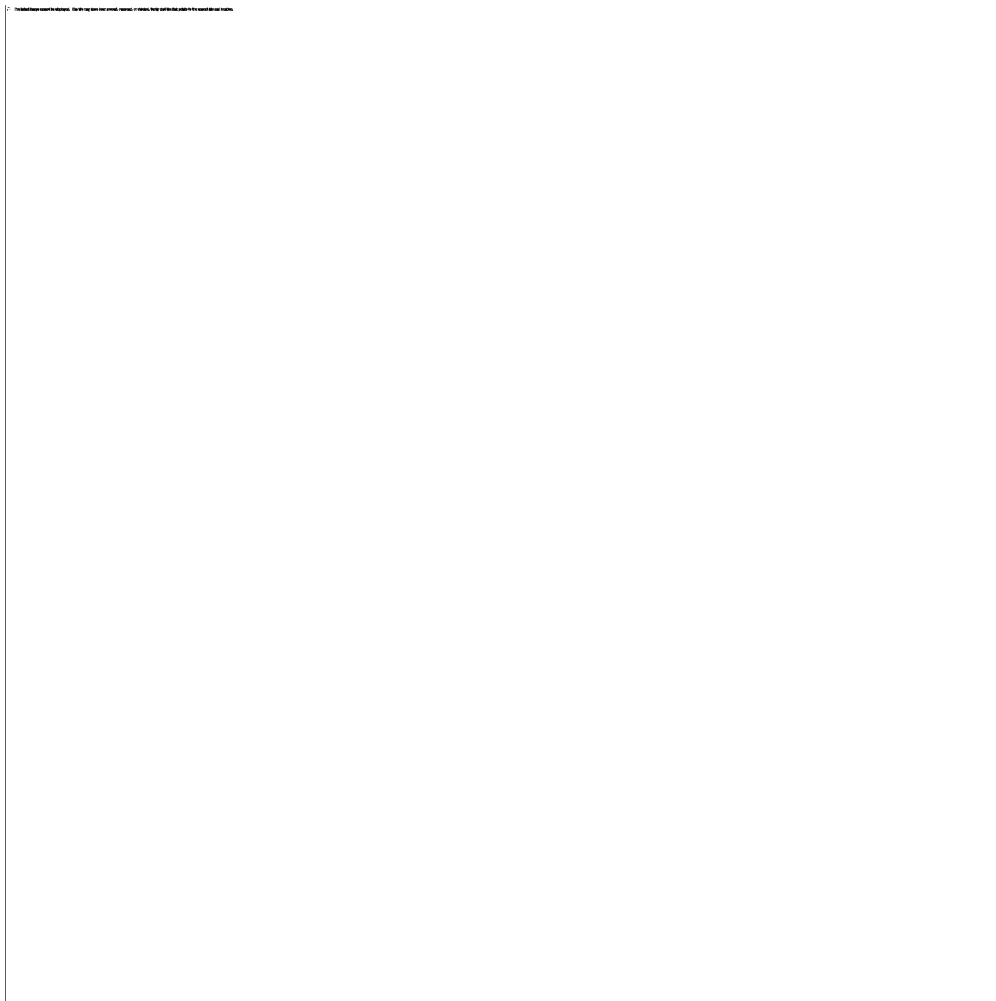
From: Scott, Jeff [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=AFAC6D298397450094BD69BCE7B3746F-JSCOTT]
Sent: 1/28/2021 1:47:56 AM
To: makenaschwinn@gmail.com
Subject: FW: The climate is hot. So is GameStop. Biden's working on one of them.

Check out the gamescape article and potential future professor quotes

From: POLITICO Nightly <politiconightly@email.politico.com>
Sent: Wednesday, January 27, 2021 5:04 PM
To: Scott, Jeff <Scott.Jeff@epa.gov>
Subject: The climate is hot. So is GameStop. Biden's working on one of them.

Jan 27, 2021

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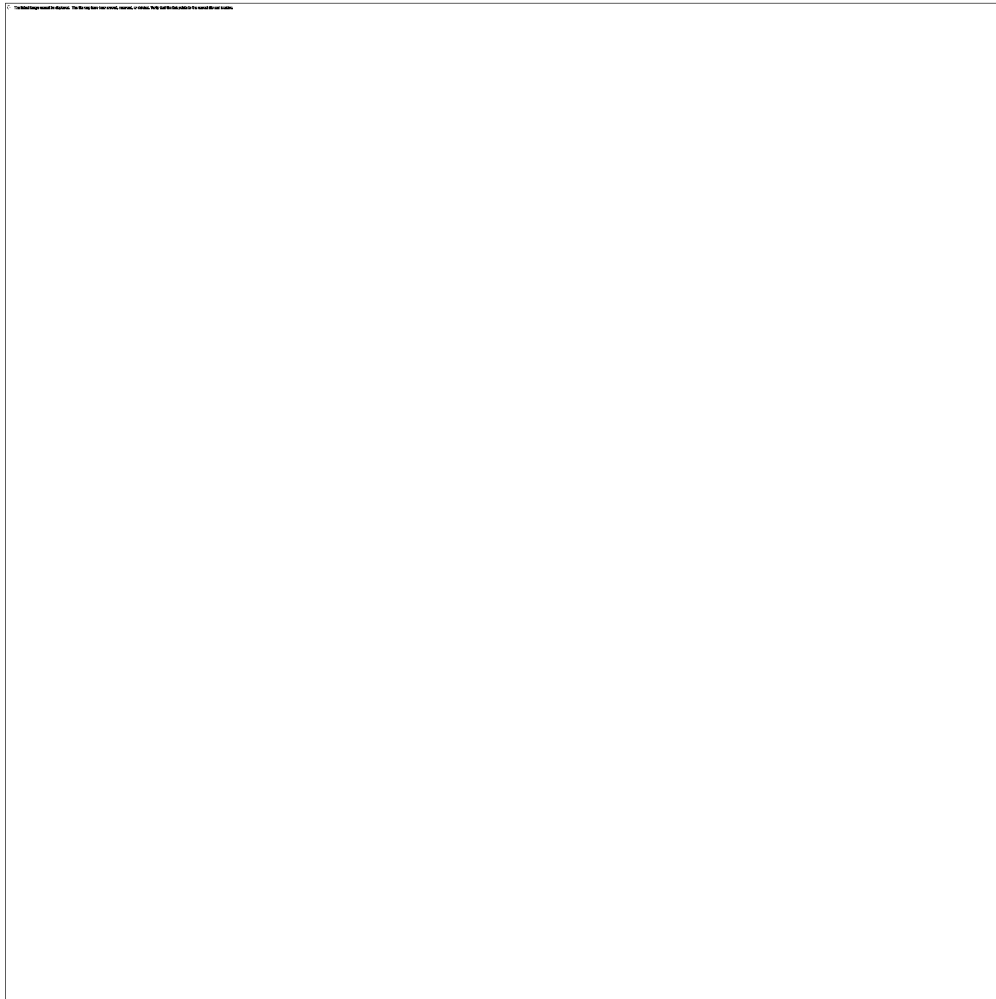
BY **MICHAEL GRUNWALD**

Presented by Facebook

With help from Renuka Rayasam

HERE'S THE GREEN DEAL — Today was Climate Day in the Biden White House. The unmistakable message was that every day will be Climate Day in the Biden White House.

With a flurry of sweeping executive orders, lofty presidential rhetoric and written promises to “Take a Whole-of-Government Approach to the Climate Crisis,” President Joe Biden and his green advisers made it clear they plan to weave climate policy into foreign policy, domestic policy and everything else their administration does. Biden set ambitious campaign goals of a carbon-free electric sector by 2035 and a carbon-neutral nation by 2050. Now that he’s in power and the U.S. is back in the Paris accord, he said, “it’s time to act.”



What Biden didn't say is that with only 50 Democrats in the Senate — including Joe Manchin of West Virginia, who doesn't share his

climate goals — action is unlikely to take the form of aggressive legislation like the cap-and-trade bill that died in Congress in 2010. Biden might be able to slip green policies into must-pass budget bills or even an infrastructure bill, but one takeaway from Climate Day was that the administration understands it needs to act on its own.

Then again, there are limits on Biden's options to act unilaterally, especially with a 6-3 conservative majority on the Supreme Court. So what could he do to address a crisis that's already weirding the weather and upending lives? After four years of denial under President Donald Trump, what would a whole-of-government approach to the climate look like?

Climate Day provided a glimpse of what a president can do on his own. Biden paused oil and gas leases on public lands. He ordered federal agencies to buy clean electricity and electric vehicles. He created a White House climate office, an environmental justice council and a new President's Council of Advisors on Science and Technology to replace the one Trump scrapped. He set a new goal of conserving 30 percent of America's lands and oceans by 2030. He launched bureaucratic processes to promote "climate-smart agricultural practices" and the revitalization of communities with shuttered fossil-fuel plants.

None of those moves will do much to reduce emissions in the short term. But there's still quite a bit Biden can try to do to work around a divided Congress and a hostile Court.

He could ratchet up enforcement of existing regulations of fossil-fuel pollution, even if he can't get new carbon rules past the Court. He's vowed to tighten longstanding fuel-efficiency standards for vehicles that the Court might be less likely to strike down, and he could do the same for energy-efficiency standards for appliances. He could try to accelerate the deployment of budget-friendly technologies like solar power, wind power and LED lighting that pay for themselves within a few years. He could use trade policy, diplomatic policy and his bully pulpit to bolster climate-friendly industries and encourage the rest of the world to do the same.

Biden has already stocked his administration with a flock of committed climate hawks — transportation officials focused on transit rather than highways, energy officials focused on renewables rather than fossil fuels, housing and commerce and budget officials with public climate records. These hawks will squawk if the president doesn't follow through. They're not the people you hire if you don't want to act.

Clearly, Biden does want to act. Climate Day formalized his commitment to take the climate seriously. It was a boat-burning ceremony, no turning back. It sent a message to 2 million federal employees that they ought to take the climate seriously, too. That won't always happen, of course. But Climate Day also sent a message to the news media that when it doesn't happen, the administration will be breaking a promise. That's how bureaucracies change.

Welcome to POLITICO Nightly. Reach out at mgrunwald@politico.com and rrayasam@politico.com or on Twitter at [@mikegrunwald](https://twitter.com/mikegrunwald) and [@renurayasam](https://twitter.com/renurayasam).

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FIRST IN NIGHTLY

A CASH ADVANCE FOR YOUR KIDS — In the past year, the government has sent stimulus checks to half the country — twice. Now, Democrats want to do something even more ambitious: [Send](#)

cash each month to tens of millions of low-income people with children.

As part of their latest coronavirus stimulus plan, Democrats are drafting a proposal to expand and transform a long-standing tax credit for children — normally taken once a year at tax time — into a monthly payment, tax reporter Brian Faler writes. They aim to send \$250 each month per child — \$300 for kids under the age of six — in what would be the country's first-ever child allowance.

It's designed to substantially reduce the number of children living in poverty by getting money into their parents' pockets quickly and steadily. Democrats say if the government can send stimulus checks to 150 million people, then it can do this too.

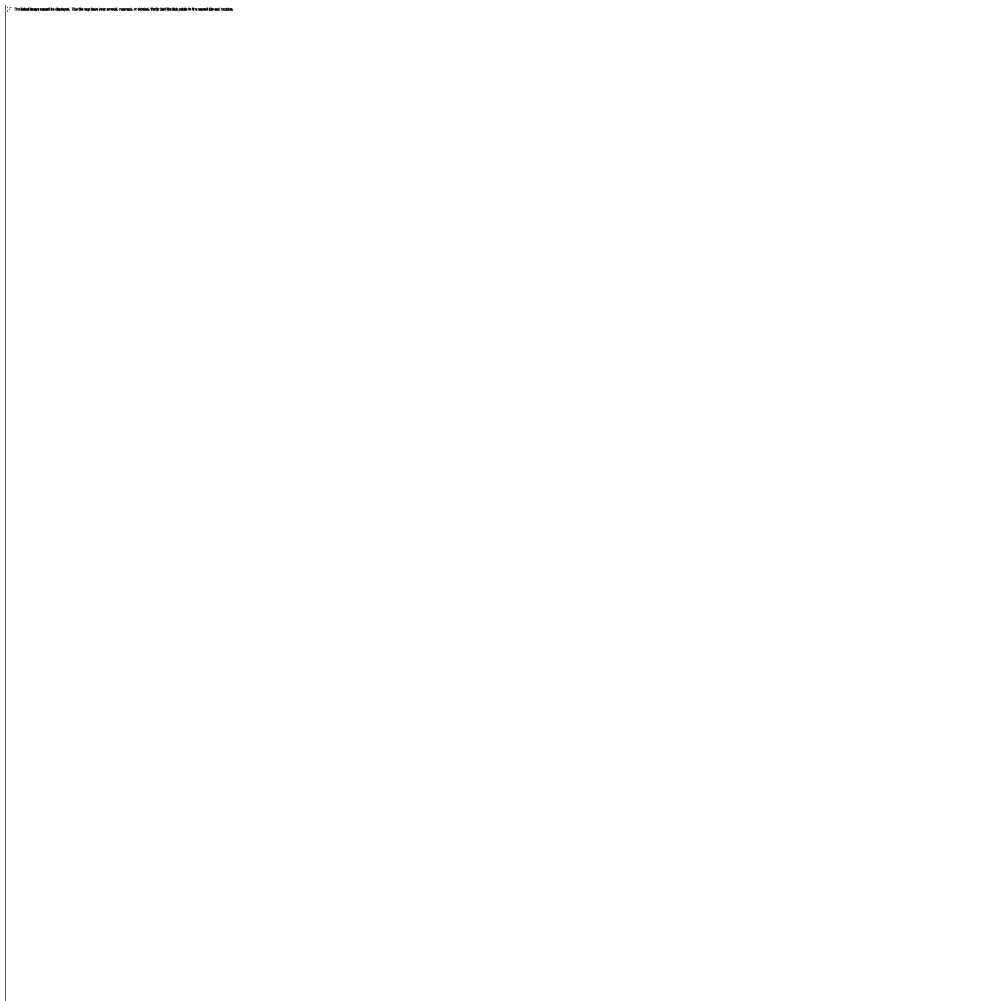
"Families wait all year for tax filing season because their earned income and child tax credits cover critical needs like overdue bills or medical care," Ron Wyden, the Senate's top Democratic tax writer said in a statement. "Making at least the child tax credit payable in advance would help lessen the constant financial pressure on these families."

But the proposal is still in its early stages, and it's likely to be much more difficult to implement than cutting stimulus checks. Democrats still need to confer with the Treasury Department about how it could work, and it's unclear how quickly the department might be able to set up such a program.

TRACK THE FIRST 100 DAYS OF THE BIDEN ADMINISTRATION:

A new president occupies the White House and he is already making changes. What are some of the key moments from Biden's first week in office? Find out in Transition Playbook, our scoop-filled newsletter tracking the appointments, people, and emerging power centers of the first 100 days of the new administration. [Subscribe today.](#)

TALKING TO THE EXPERTS



People walk past a GameStop store in New York City. Stock shares of videogame retailer GameStop Corp has increased 700 percent in the past two weeks due to amateur investors. | Getty Images

SQUEEZE PLAY — At the moment it's not the vaccine rollout or Covid cases that has Wall Street worried, Renu writes. Instead it's a handful of individual investors organizing themselves on Reddit forums. A bunch of people on message boards, some who have been out of jobs for nearly a year or are using their gains to pay off student loans, are exploiting the bets that big hedge funds have taken against companies facing existential threats, like GameStop, BlackBerry and AMC. Hedge funds are having to either sell stocks or borrow billions of dollars to cover their bets that certain stock prices will fall. If enough go down, they could take the market with them.

Here's our favorite explainer of the GameStop squeeze. The stock closed at \$347.51 today, up 135 percent. On Jan. 1, the price was \$17.25. Sen. Elizabeth Warren called on financial regulators today to

step in, and White House press secretary Jen Psaki said the Biden administration was monitoring the situation.

Nightly reached out to experts and asked whether the SEC or Congress should intervene.

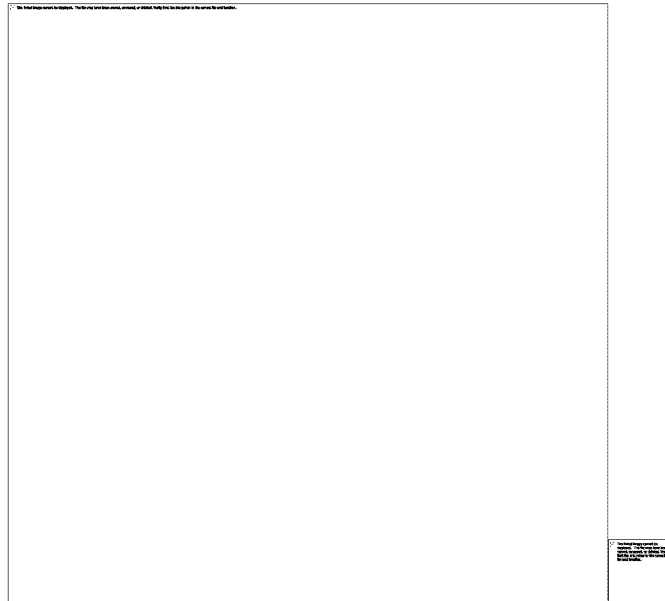
“The price spike in GameStop demonstrates both a minor and major blemish in our equity markets. This is not the first time we have seen such spikes. A stock price that is too high does not do anyone any good, because it locks in future losses for investors as the stock eventually finds the correct level. There are some technical issues with respect to SEC Rules 204 and 15c3-3 that contributed to the spike. Obviously the SEC needs to investigate what happened, and see if its new Consolidated Audit Trail (CAT) is up to the task. However, the SEC is drastically underfunded, and does not have the resources to do the job it needs to do. If you add up all of the dollars spent on the SEC since its founding in 1934, it is less than the investor losses from one Bernie Madoff. Congress needs to fully fund the SEC.

“However, the real problem is the completely dysfunctional structure of our financial regulatory system. We literally have hundreds of different financial regulatory agencies at the state and federal levels, and they don’t always play nicely with each other. Too many things fall in between the cracks. Dodd-Frank in 2010 patched up some of the cracks but did not deal with the convoluted structure we have. The changes brought about by the changes in our economy and our financial markets indicate it is time to update our regulation. Congress needs to seriously rethink and re-engineer how we regulate our financial system (banking, securities, commodities, insurance, payments, etc.). This is not an easy lift, and probably not one that can be completed in this Congress, but we need to start the conversation now.” — **James Angel**, a financial markets expert at Georgetown University

“It’s a good reminder of how complex and interconnected markets are — from equities, derivatives, to lending markets. The SEC and FINRA should examine the incentives of brokers to act as gatekeepers in areas such as options markets, and whether their rules can be strengthened to protect investors and maintain market integrity. There are two

areas specifically in options markets: 1. The diligence that broker firms have to do of new investors and whether options are suitable investment vehicles for them. 2. Whether the payment for order flow rates in options markets (~2X higher than equities) distorts the incentives to do this screening.

“I should caveat that I’m not convinced that options trading (and hedging) are necessarily the majority cause of this rally, but it is certainly one potential cause, and an area where the SEC and FINRA have clear authority but very old rules (e.g., FINRA Rule 2360).” — **Edwin Hu**, a research fellow at the NYU School of Law’s Institute for Corporate Governance & Finance and former chief economist and counsel at the SEC



ON THE HILL

MCCARTHY TO HOUSE REPUBLICANS: PLAY NICE. I MEAN IT — House GOP Leader Kevin McCarthy today implored Republicans to stop publicly attacking each other after GOP in-fighting over the deadly Jan. 6 Capitol riot, which has created simmering tensions inside the conference, Melanie Zanona writes.

During a private conference call, McCarthy told members that they should be spending more time countering the Biden agenda than chastising each other, adding he would no longer have any tolerance for such behavior, according to multiple sources on the call. McCarthy also reminded House Republicans that they will have an opportunity to air their grievances during a closed-door meeting in the Capitol next week, where a conservative-led push to oust Rep. Liz Cheney (R-Wyo.) over her vote to impeach Trump is expected to come to a head.

“If you’re not focused on what you’re doing and what the Democrats are doing wrong, and you’re focused on talking about one another, I’m not putting up with that anymore,” McCarthy said on the call, according to a source familiar with the conversation. “But, if you continue to do that, there won’t be a place for you. I want to be very clear to each and every one of you. ... It is not a way we’re going to win the majority.”

AROUND THE NATION

SNAP SPENDING BOOM — Federal spending on the country’s largest nutrition assistance program increased by nearly 50 percent in 2020 from the economic shock of the pandemic, according to newly released data from the Agriculture Department.

The Supplemental Nutrition Assistance Program, still known to many as food stamps, cost nearly \$90 billion in fiscal 2020, USDA said today. That’s a jump from just over \$60 billion in 2019, senior agriculture reporter Helena Bottemiller Evich writes. The massive increase in cost is a result of two major factors: Some 8 million more Americans are getting aid, and benefit levels were increased by Congress on an emergency basis last spring to help blunt the effects of widespread business and school shutdowns.

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McCarthy and everyone in between, our new Huddle author Olivia Beavers brings the latest from Capitol Hill with assists from POLITICO's deeply sourced Congress team. [Subscribe to Huddle, the indispensable guide to Congress.](#)

ASK THE AUDIENCE

DEAR NIGHTLY — Curious about safer ways to shake up your pandemic routine? Or how to navigate daily life before you can get a vaccine? Do you have a question about the pandemic or the virus that hasn't been answered? We'll try to answer it. Send your thoughts to nightly@politico.com, and we'll publish answers to select ones later this week.

THE GLOBAL FIGHT

GROWTH NOT INVOLVING GAMESTOP — The German economy will [likely grow 3 percent](#) this year despite the impact of Covid-19, Economy Minister Peter Altmaier said today.

"The good news is that the upswing that has been observed since September and October 2020 will continue in 2021, albeit with less momentum than we had hoped," Altmaier said while presenting the government's Annual Economic Report at a press conference in Berlin. "That means we have to do everything we can to sustain this upswing," he added.

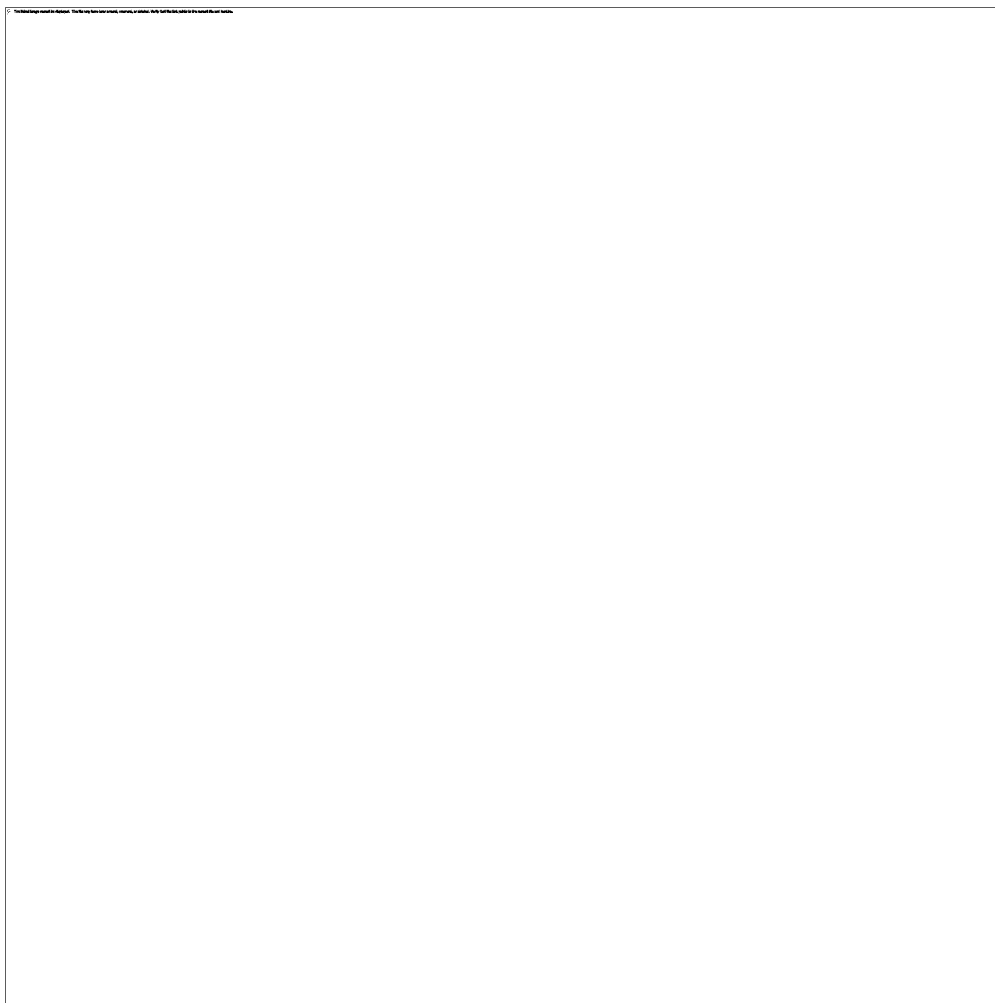
Altmaier said he expects "the economy to return to the level seen before the outbreak of the corona crisis by the second half of next year."

NIGHTLY NUMBER

514,000

The number of deaths CDC Director Rochelle Walensky said were possible from Covid by Feb. 20 based on current projections.

PARTING WORDS



A warning sign is displayed on the shoreline near the Olympic Rings in Tokyo. | Getty Images

HIGHER, FASTER, CANCELED? Organizers calling for Biden's support for the Tokyo Olympics have largely gotten silence from his

administration, after speculation that the Summer Games could be called off because of the coronavirus pandemic.

Psaki has been asked multiple times whether the president thinks the Olympics, slated to start in July, would be safe, but she hasn't given an answer. After saying on Friday that she hadn't talked to Biden about it, Psaki said the same again today.

Haruyuki Takahashi, a member of Japan's Olympic organizing executive board, said that Biden's coming out with "a positive statement about the Olympics going ahead" would bring "strong momentum," The Wall Street Journal reported today.

"It's up to the U.S.," Takahashi said. "I hate to say it, but Thomas Bach and the IOC are not the ones who are able to make the decision about the Games. They don't have that level of leadership," he said, referring to the International Olympic Committee and its president.

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